

1998 DOD Logistics Strategic Plan

Roadmap to the 21st Century

U.S. GOVERNMENT PRINTING OFFICE: 1998



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1998/1125/025

Evolution of the Warfighter

Roadmap

21st Century

TODAY

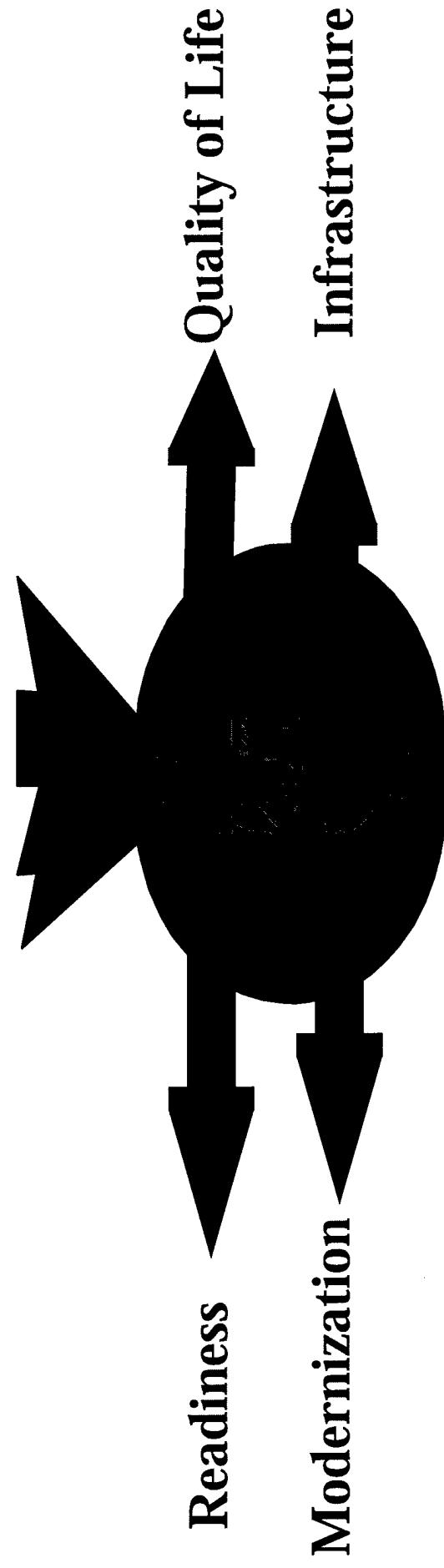
Cold War

Forward Deployed US Strategy
Very Focused Mission
Tactical Based
Constrained Resources
50s 60s & 70s Technology
Long Planning Horizons

CONUS-based Power Projection Capabilities Broad Range of Missions Severe Constraints Politics Shorter Planning Horizon

Mobile Radios
Network Strategy
21st Century Technology
Knowledge & Learning
Based
Distributed Operations
Improved lethality
Survivability
Shared Situational Awareness
Real-time Information

Funding Dilemma



Today's:

- + Readiness Requirements
- Modernization Requirements
- Quality of Life Requirements
- Infrastructure Requirements**

> \$257 Billion

Source: *Annual Report to the President and the Congress, 1998: Appendix B, 1999 Budget Authority*

Major Influences

- Joint Vision 2010 - Focused Logistics
- Quadrennial Defense Review
- National Performance Review 2000 goals
- Defense Reform Initiatives
- GPRA guidance for strategic plans

What's New about the 1998 Plan?

1996/1997 Plan

- Mission
- Three Goals
- Eight Objectives
- 92 Strategies
- Metrics (8)

1998 Plan

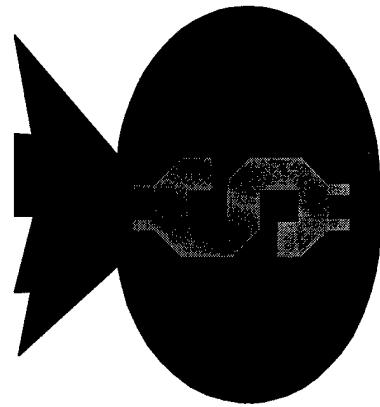
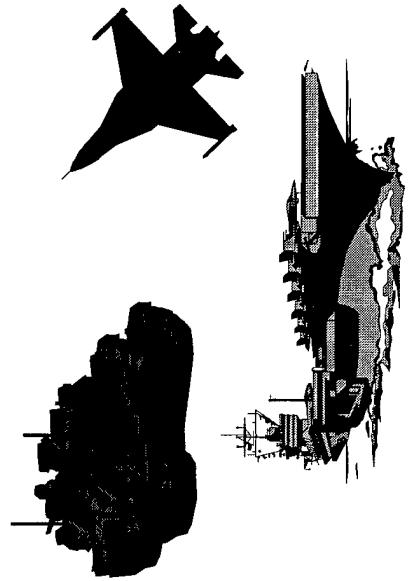
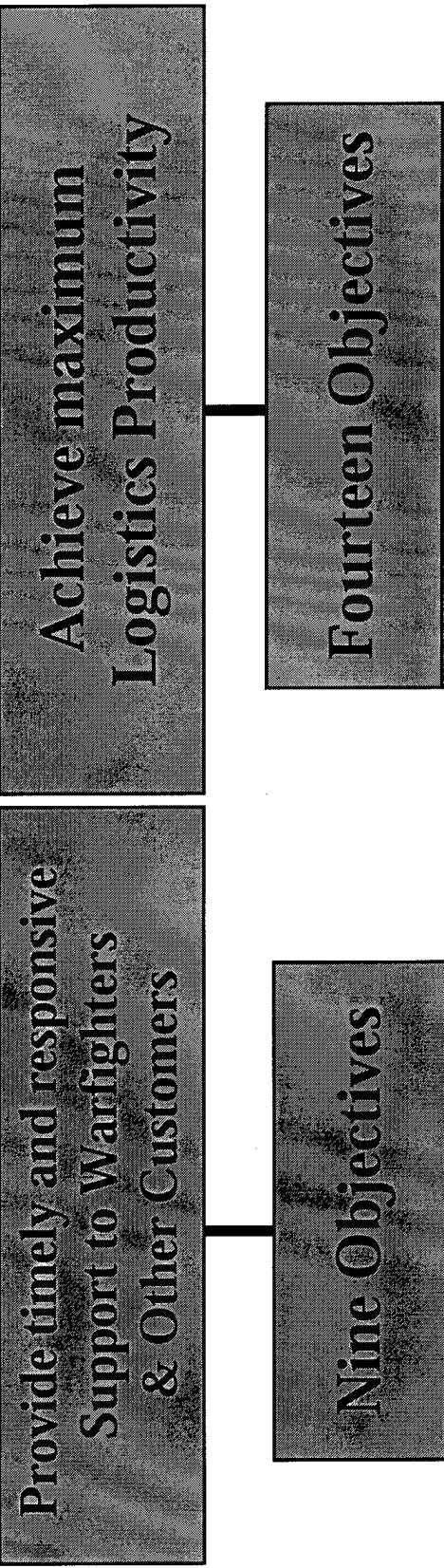
- Mission (Same)
- Two Goals
- 23 Objectives
- No Strategies
- Metrics (38)
- Greater Reliance on
& Linkage to DoD
Component Plans
for Implementation

DoD Logistics Strategic Plan

Mission

Responsive Support for Readiness & Sustainability in Peace & War

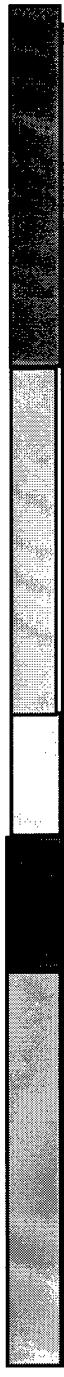
Goals
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Reduce Logistics Response Time

Order to Receipt Time

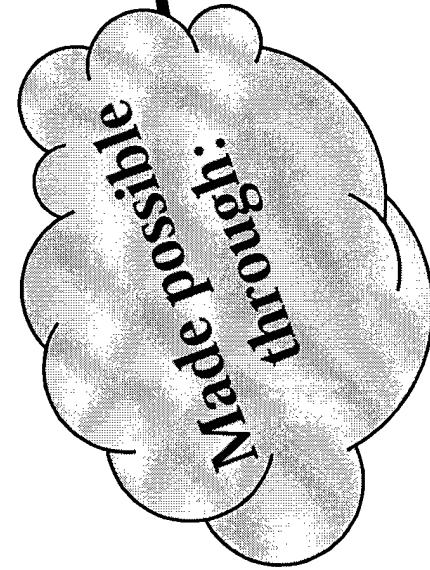
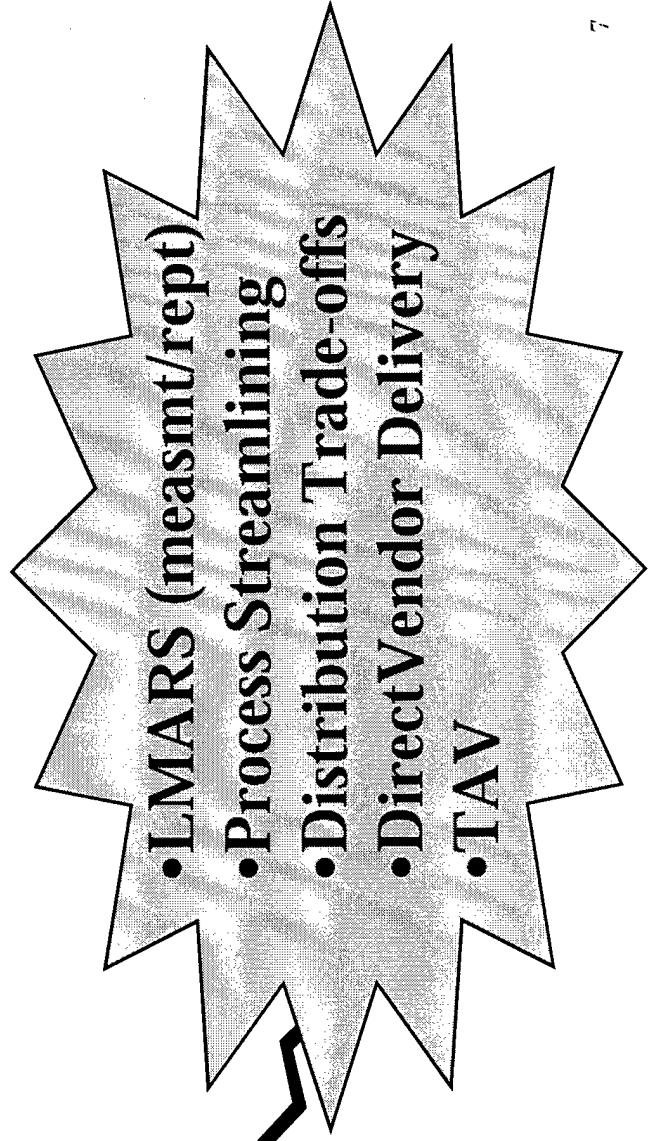
Today: 36 days



2000 Goal: 18 days



Receipt Take Up Time



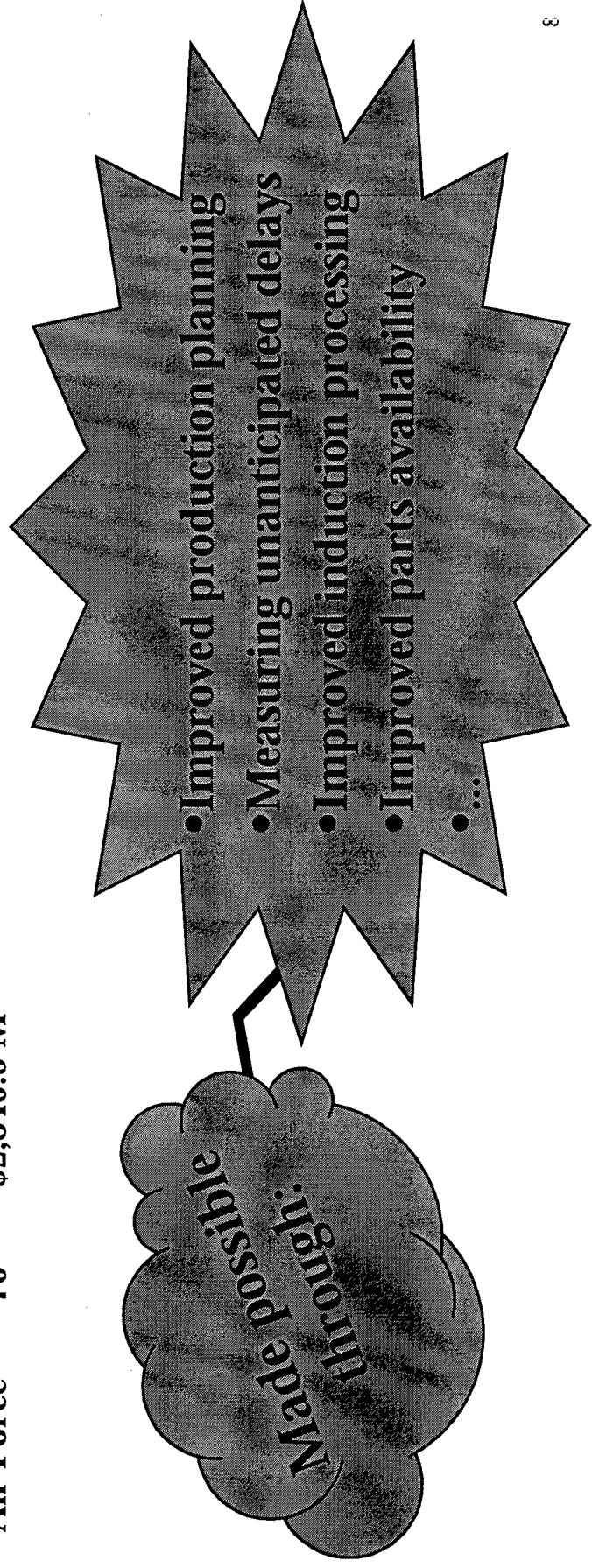
Reduce Depot Repair Cycle Time

1996 Baseline (Notional)

	Days	Budget \$
■ Army	188	\$724.7 M
■ Navy	166	\$781.1 M
■ Air Force	70	\$2,840.9 M

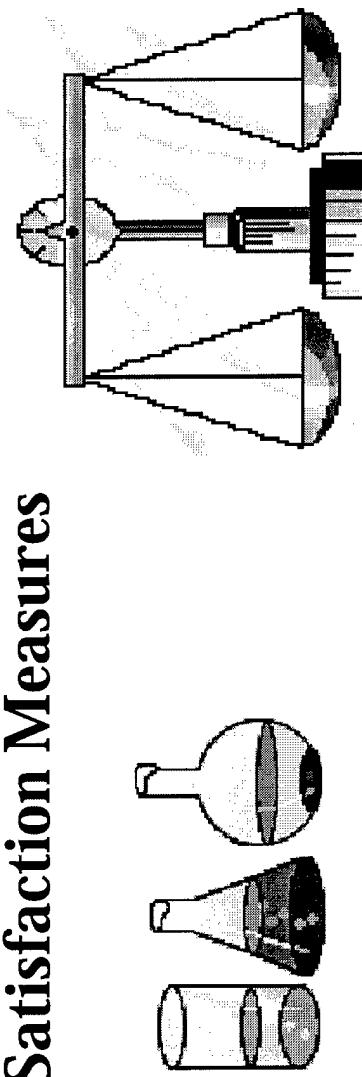
2000 Goal: Reduce \$ by 10%

2004 Goal: Reduce \$ by 20%

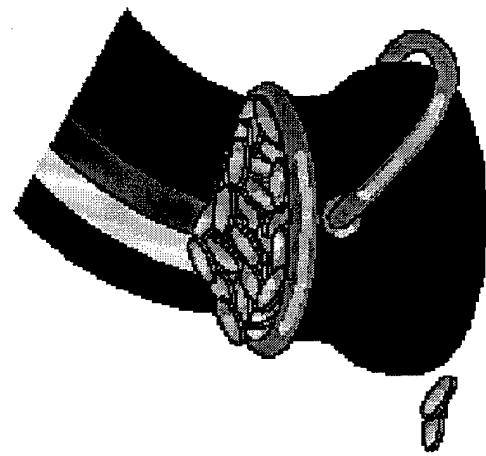


Measure & Improve Customer Satisfaction

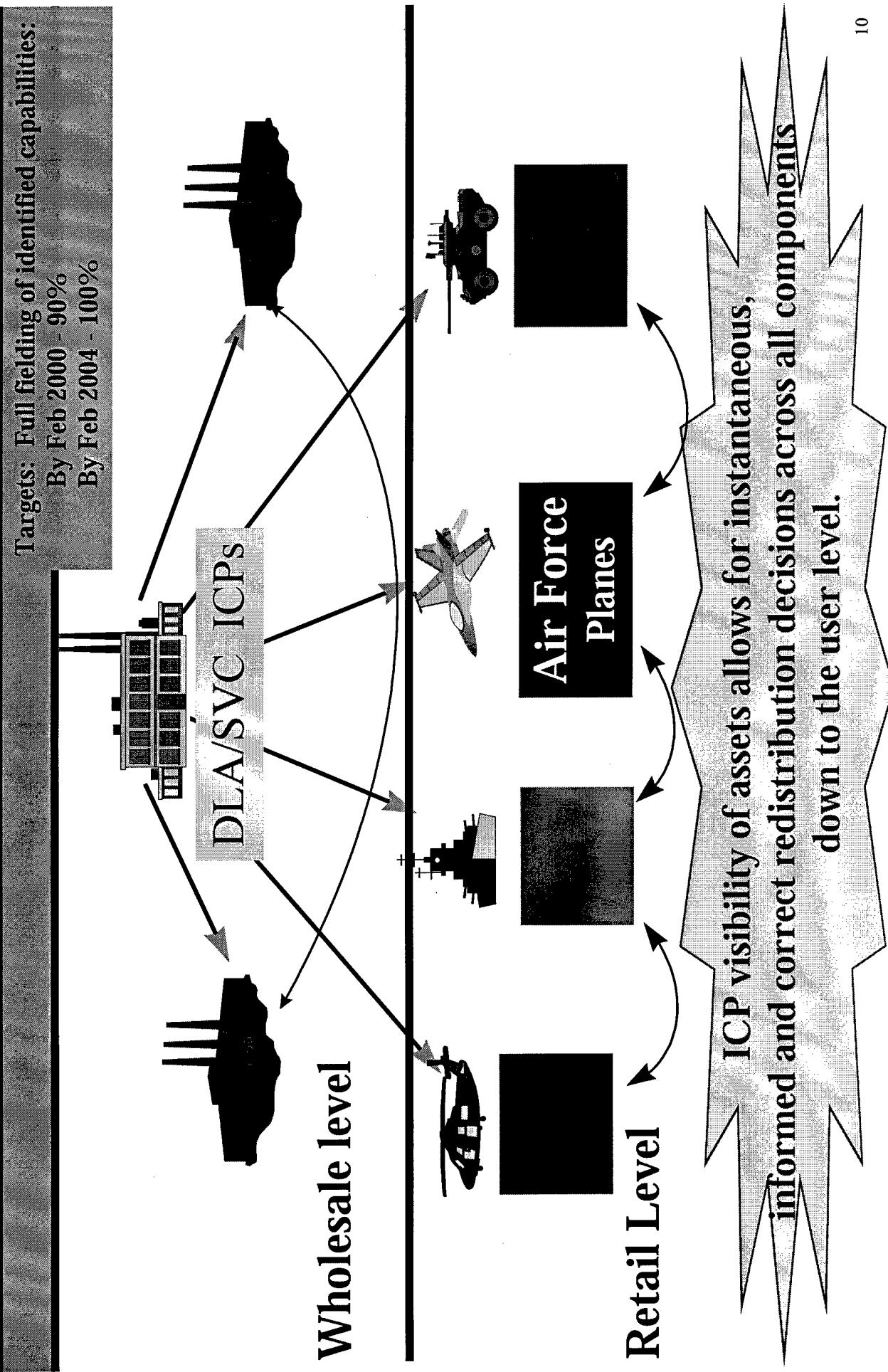
- Develop Satisfaction Measures



- Improve Customer Satisfaction



Fully Implement Total Asset Visibility



Develop & Apply Tailored Logistics Support Packages

- Track development of capability to determine requirements.
- Develop capability to deliver packages to joint & combined operations.

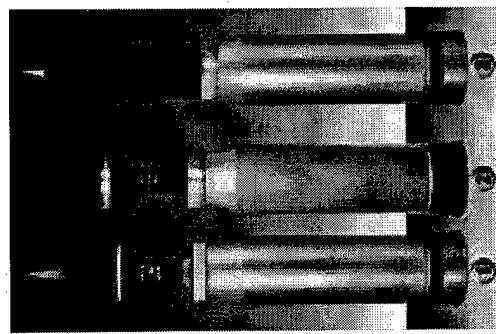
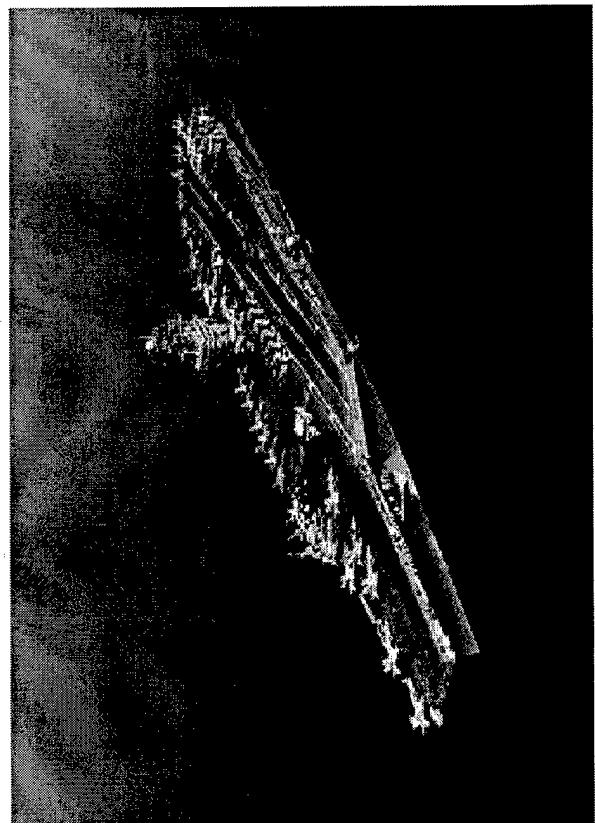
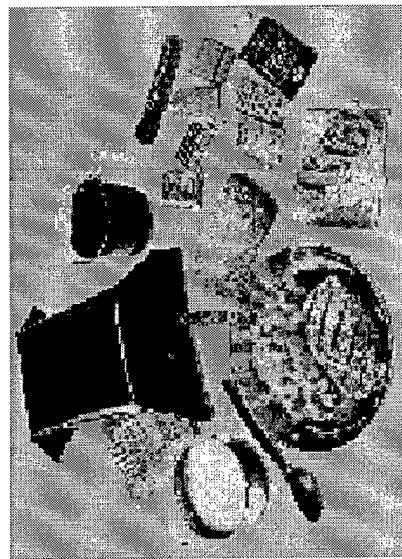
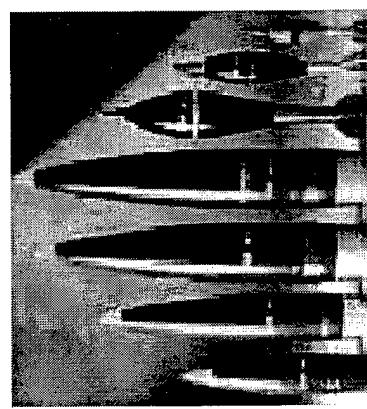
Strategic Lift

Program strategic airlift and sealift to meet
National Military Strategy and to support joint
theater distribution

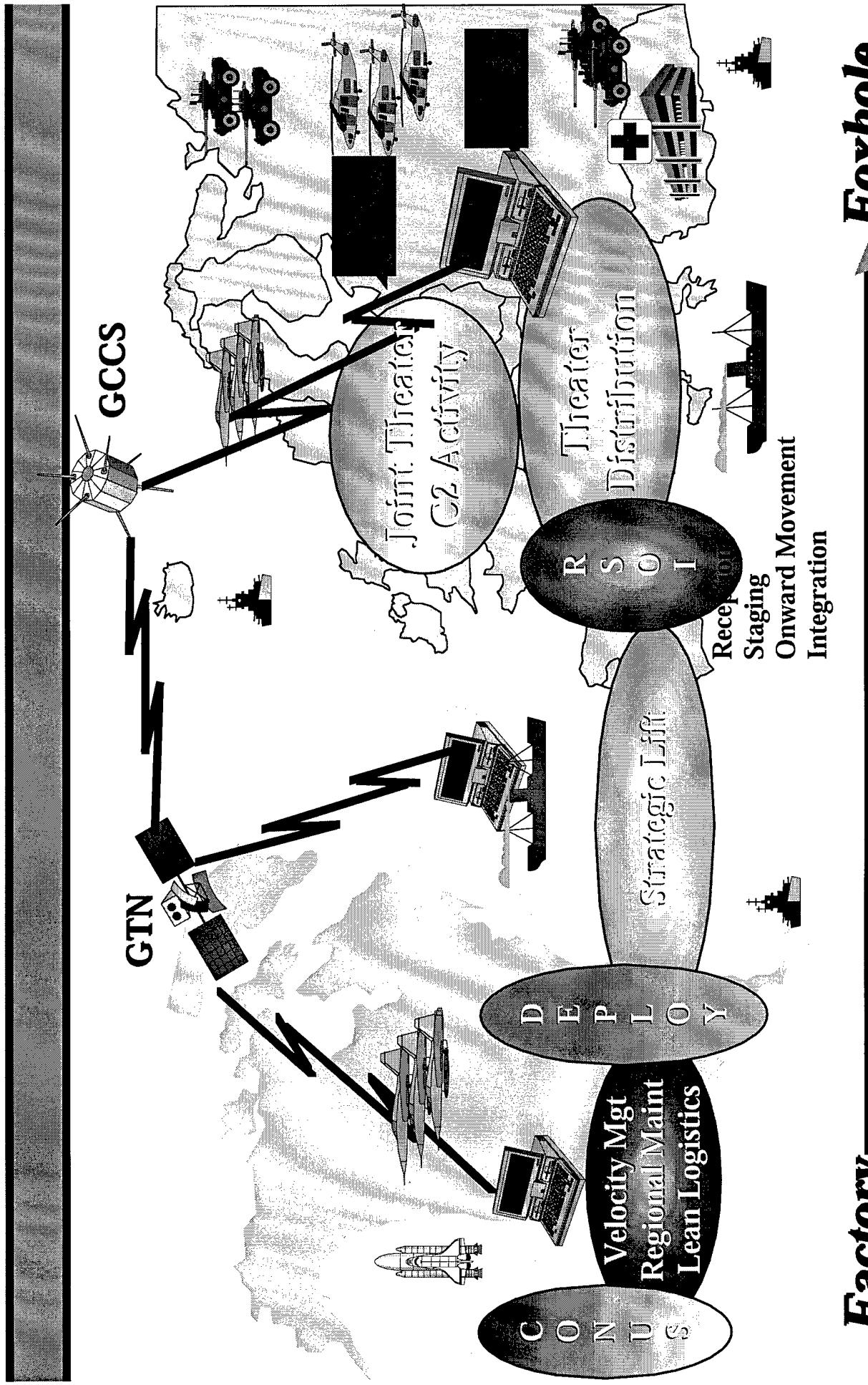


Develop War Reserve Requirements Model

Develop a flexible & verifiable model that will determine war reserve inventory requirements to ensure war reserves are properly selected, sized, positioned, pre-packaged, maintained, and transportable based on approved plans.



Develop Joint Theater Logistics C2

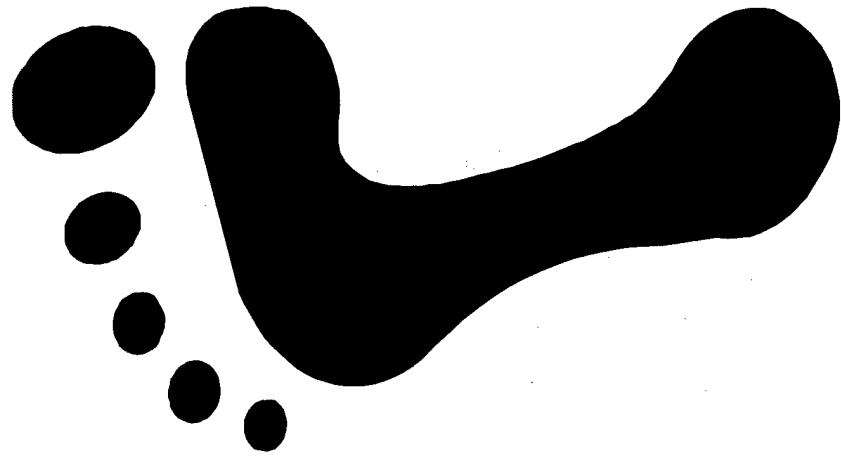


Foxhole

C2

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Reduce Theater Logistics Footprint



- Assist Warfighting CINCs significantly reduce logistics footprint
- Flexible/mobile logistics capability
- Support joint/combined operations

NATO Coalition Logistics

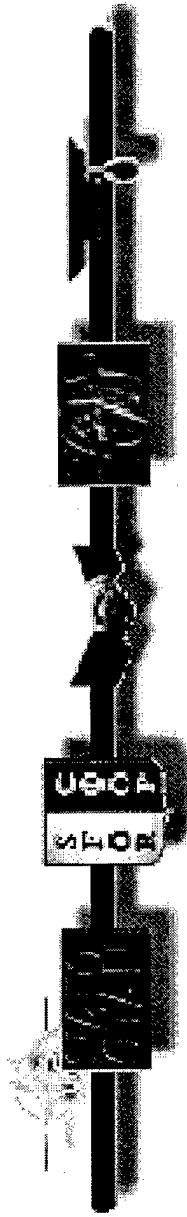


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Operation Joint Endeavour (OJEF)

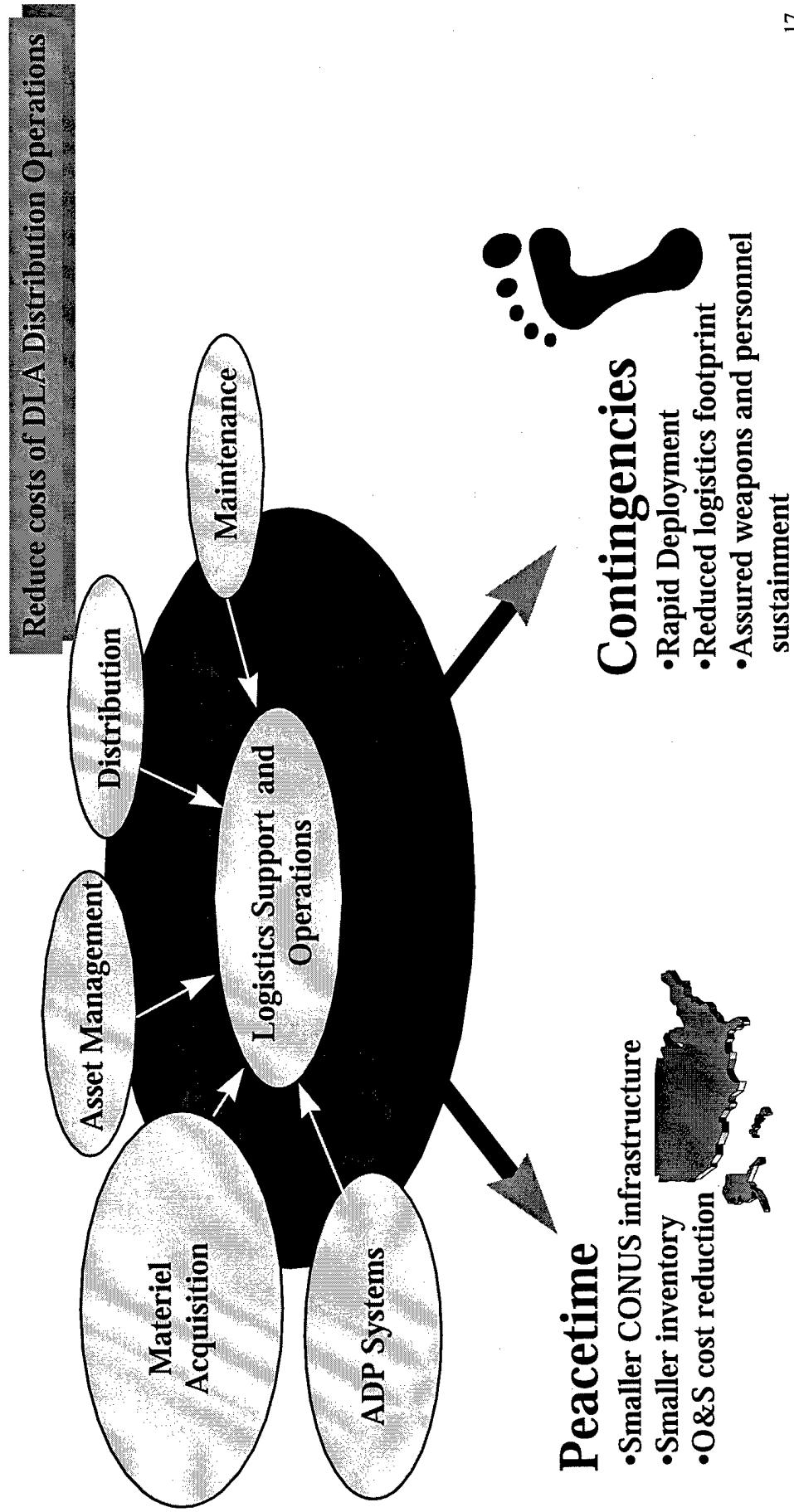


Develop bilateral &
multinational logistics
agreements for
coalition operations.



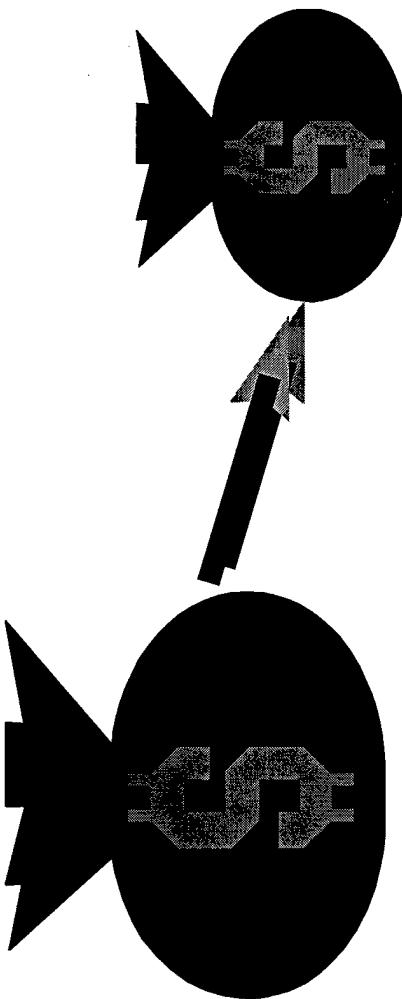
Business Process Reengineering

Reengineer logistics processes and related ADP systems

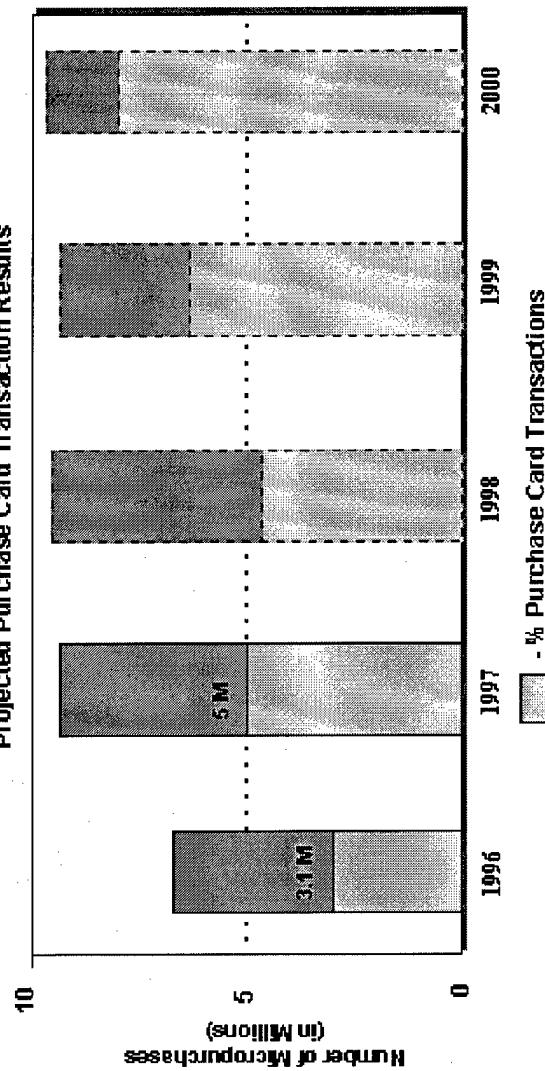


Financial Management

- Identify logistics WCF cost recovery factors and establish reduction goals (ABC).

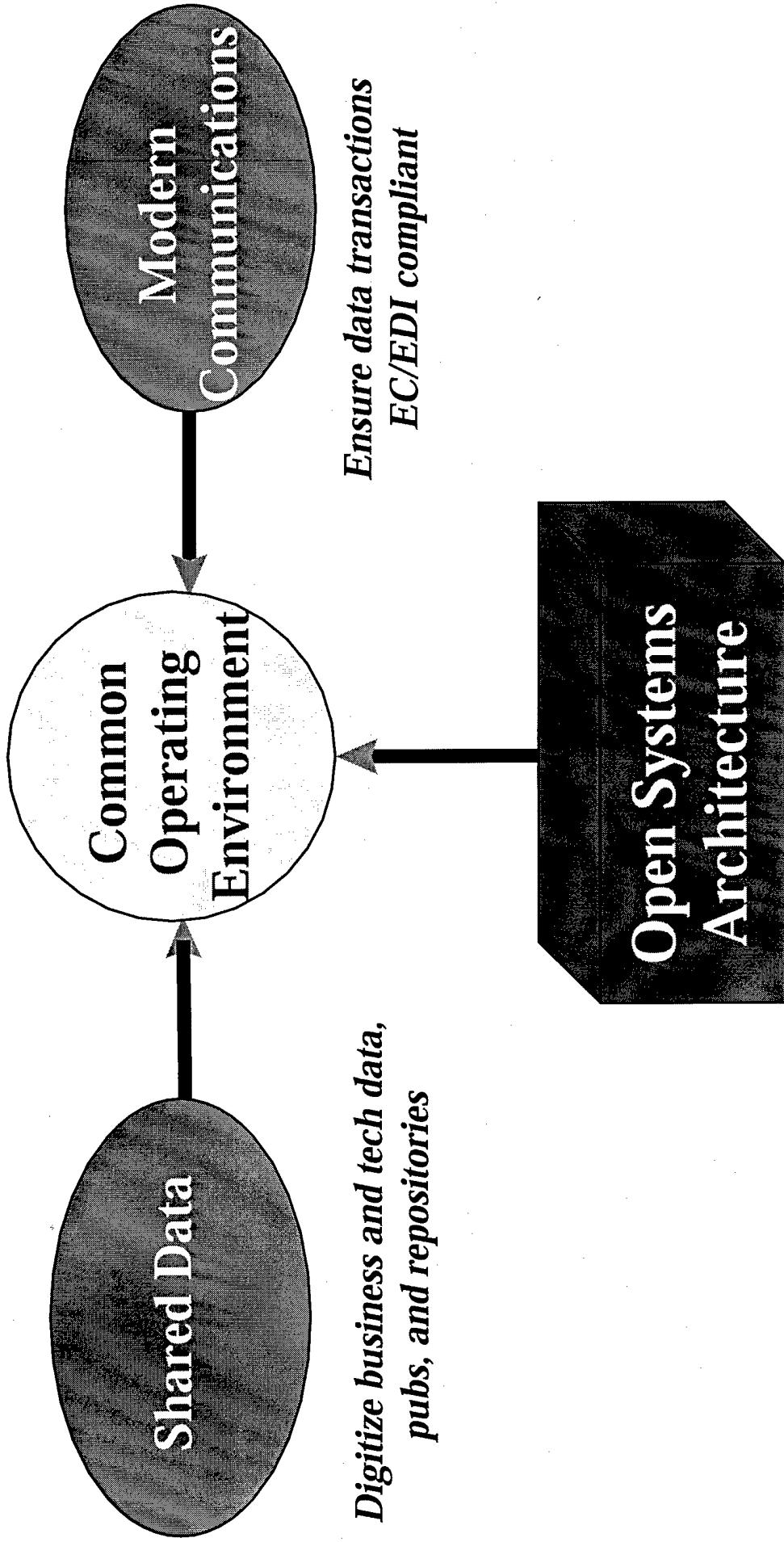


- Achieve 90% of purchase & payment transactions under \$2500 using government purchase card (IMPAC).



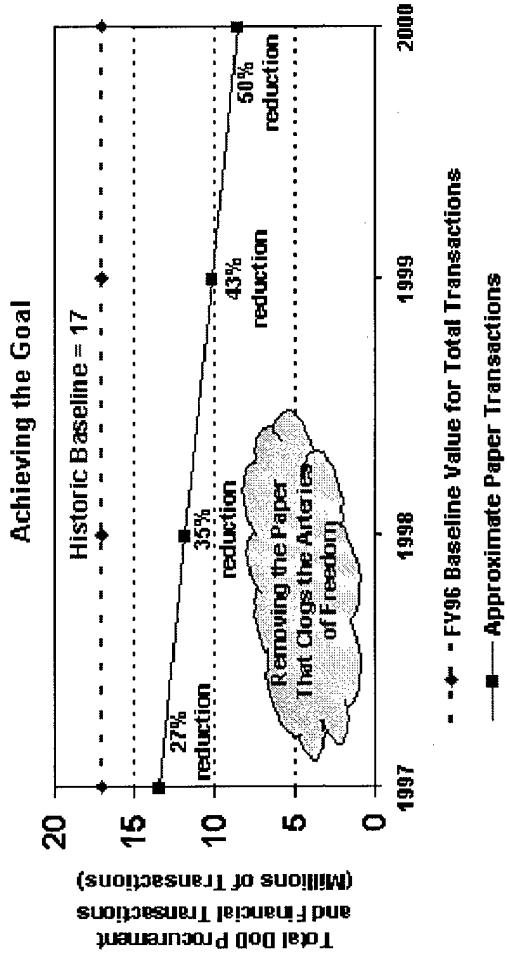
Implement Logistics Business Systems Strategy

Global Combat Support System

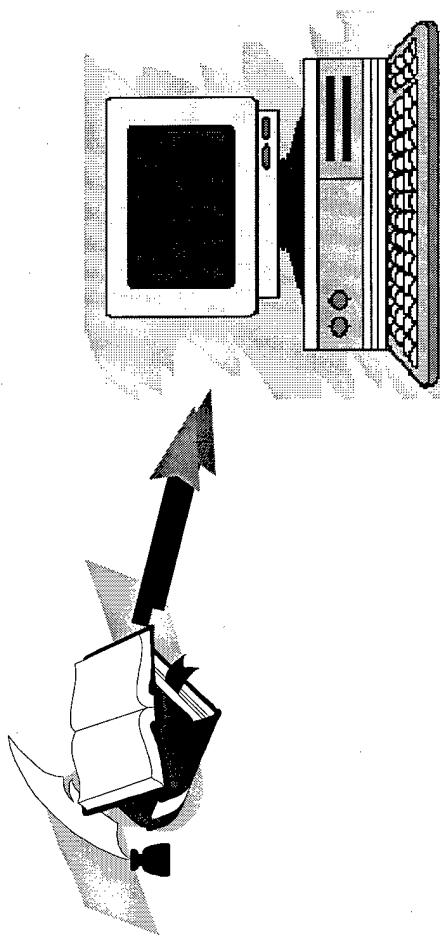


Logistics Digitized Data

- Decrease paper transactions by 50% through electronic commerce and electronic data interchange (EC/EDI).



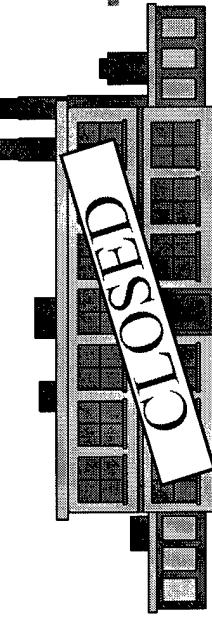
- Achieve 100% conversion to digitized data documents by FY 2002.



Implement Outsourcing/Privatization/Elimination

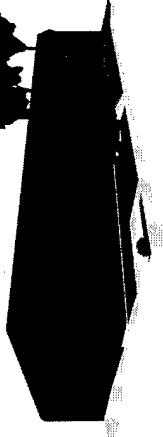
Outsourcing - transfer of functions previously performed in-house, to outside providers

U.S. Government



Elimination - stop performing the function.

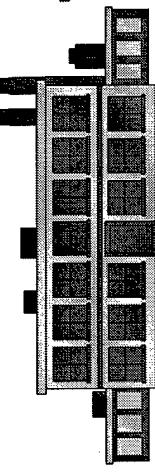
U.S.A. Incorporated



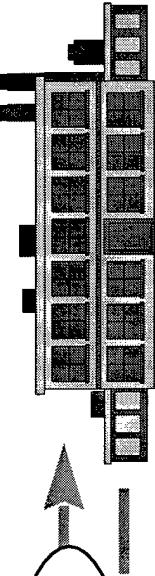
- Conduct Business Case & Risk Analysis at all organizational levels.
- Identify specific opportunities.
- Track percentage of DLA sales supported through prime vendor contracts, e.g., MRO:
- Reduce DRMS HQ by 25% by 2001, reduce DMROs by 50% by 2001.

Privatization - subset of outsourcing which involves the transfer or sale of government assets to the private sector

U.S. Government



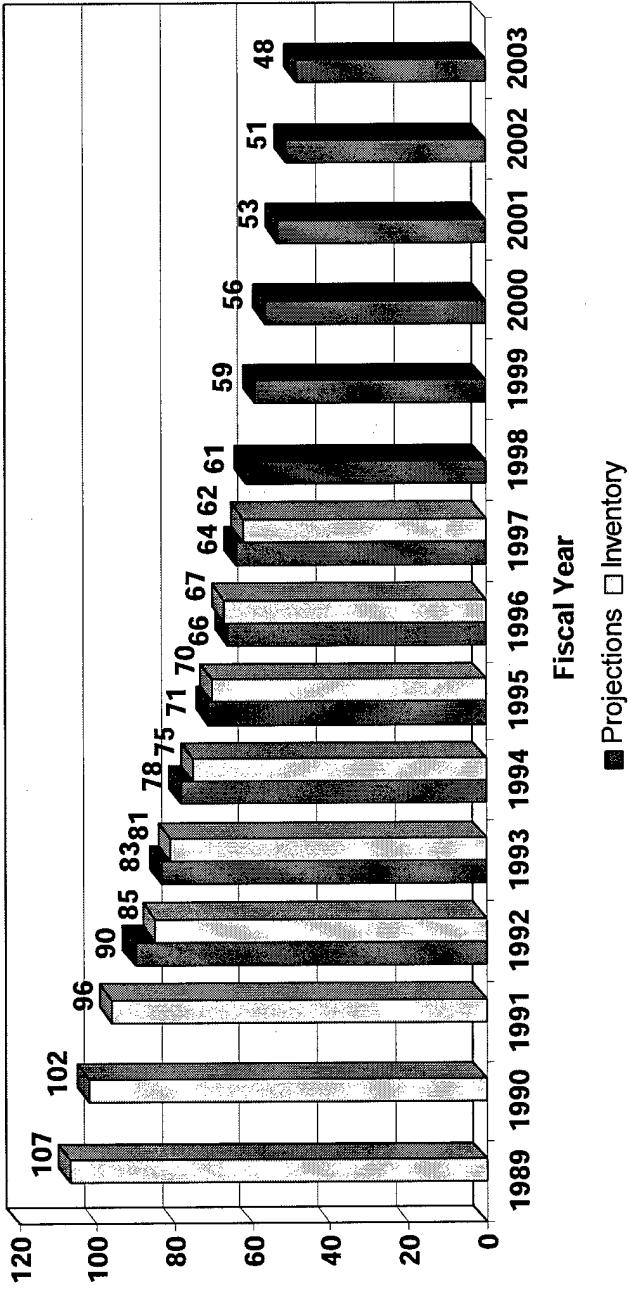
U.S.A Incorporated



Inventory Reduction

Achieve DoD and NPR Goals

Constant FY 1995 Dollars in Billions at DoD's Latest Acquisition Cost



Reduce Supply Inventories from \$67B to \$56B by Sep. 2000

Reduce Retail Inventories from \$14B to \$10B by Sep. 2001

Track Inventory Turnover Rate over time

Source: *Supply System Inventory Report* as of September 30, 1996, and *DoD Logistics Strategic Plan*, Edition 1996/1997 (LSP), revised to reflect updated goals based upon more recent actual data, new force structure data, consumable item transfer data, and use of 1998 deflator tables.

Reduce Operation and Support Costs



Make O&S Cost Reduction a principal factor in design/acquisition decisions.

Source: OUSD(C) National Defense Budget
Estimates for FY 1996

Maintenance Infrastructure

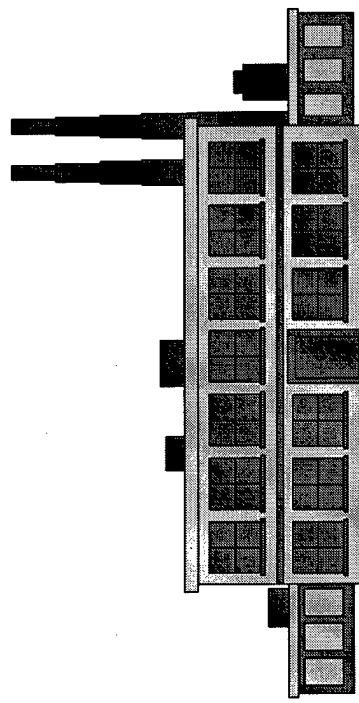
Reduce public sector maintenance infrastructure through:

- Increased competitive sourcing
- Greater consolidation
- Aggressive reengineering, and
- Expanded regionalization of activities

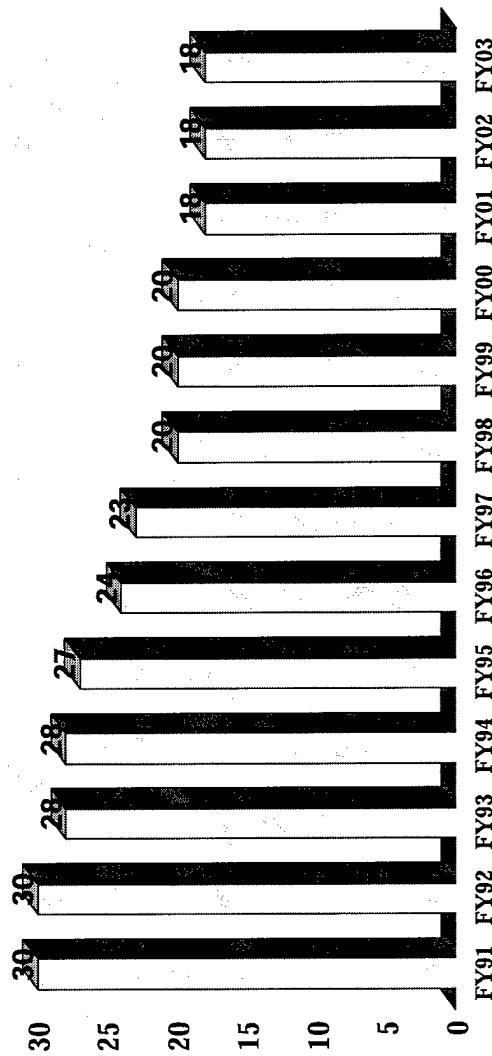


Capacity Utilization

Establish maintenance capacity
& utilization percentage trends
over time; execute to targets.



Utilize Materiel Distribution Facilities at optimum capacity;
reduce to 239 occupied covered space (MCF)
by Dec. 2003.



Public-Private Competition for Maintenance

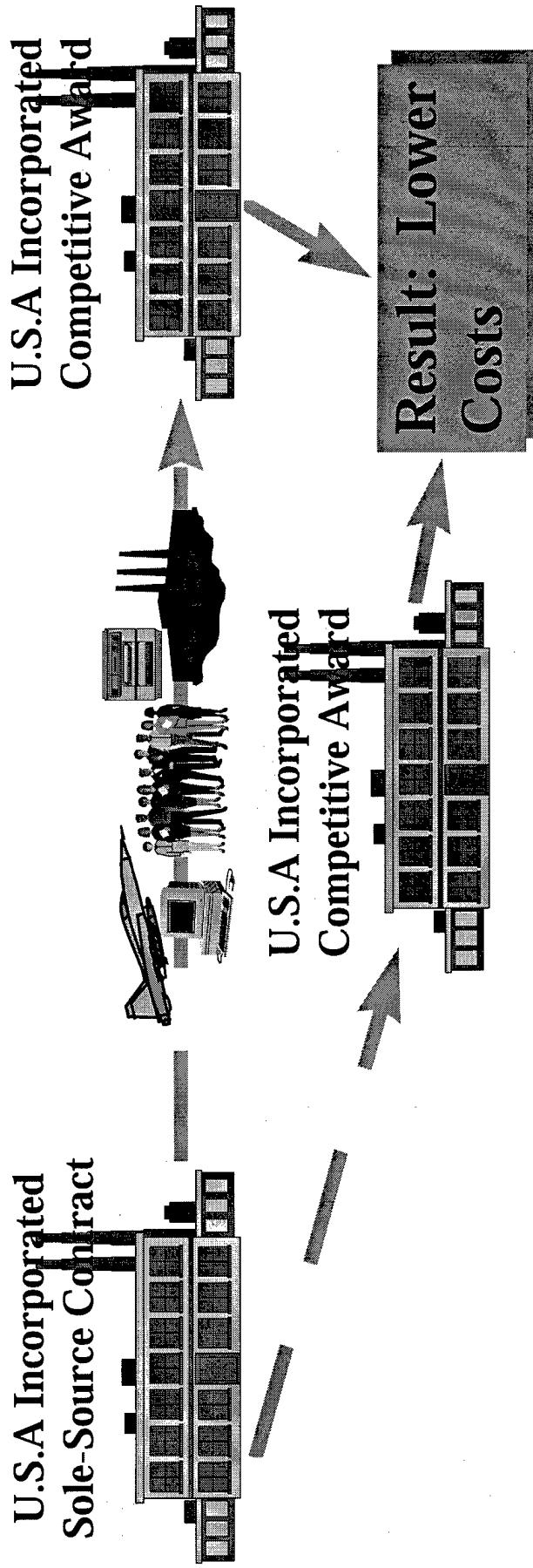
Compete depot-level maintenance workload performed by federal employees so that 50% is done by private sector employees (10 U.S.C. 2466).

Decrease percentage of non-competeted dollars of workload.

Increase savings through competition.

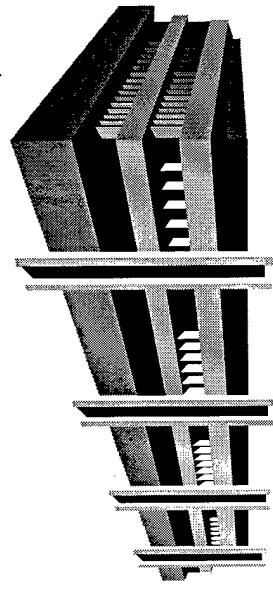
Competitive Source Selection for Maintenance

Compete maintenance workloads that are currently sole sourced

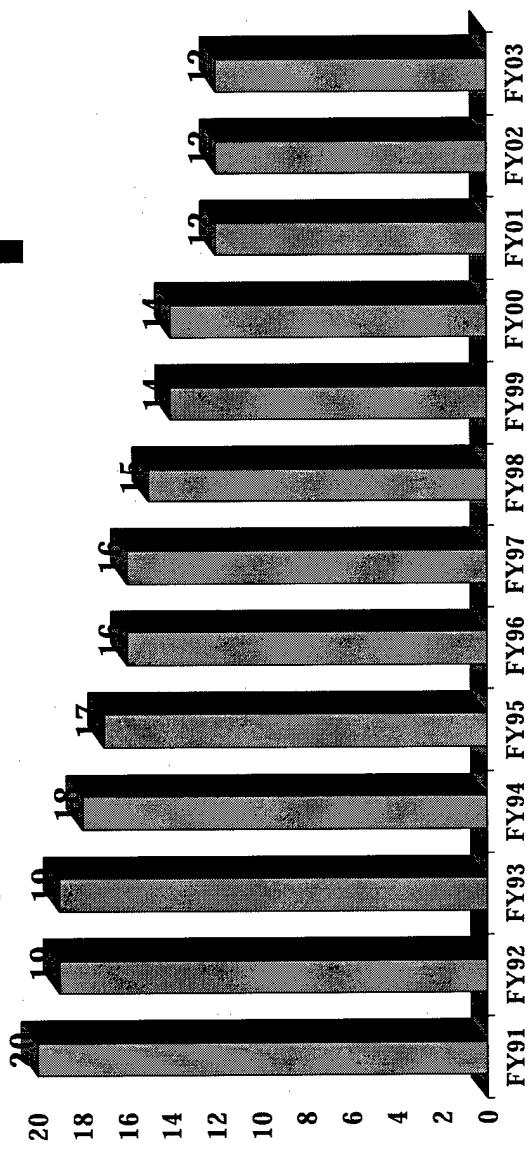


Streamline Inventory Control Points

Implement Virtual ICP Structure
within each Component, i.e.,



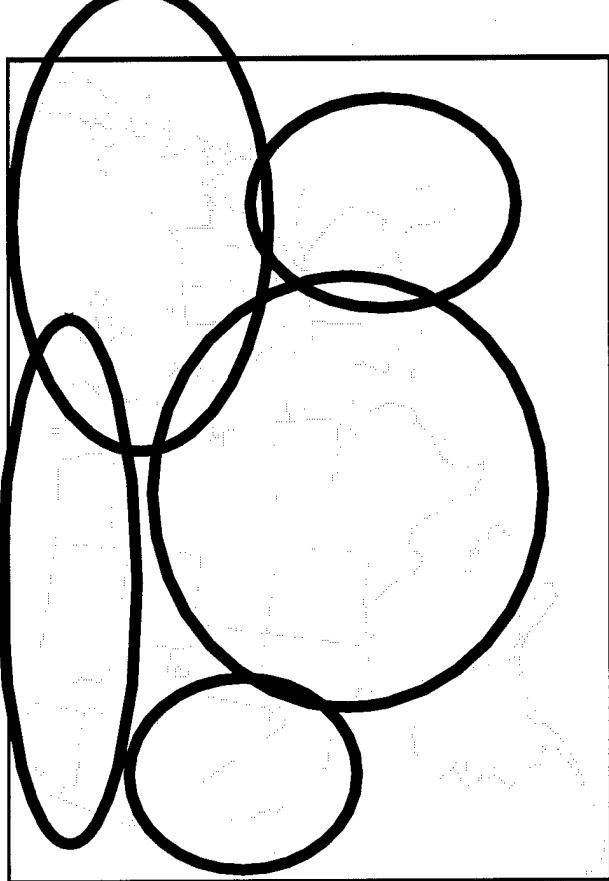
Virtual ICP: 5 ICPs



Pre-QDR ICPs

Regionalization of Logistics Activities

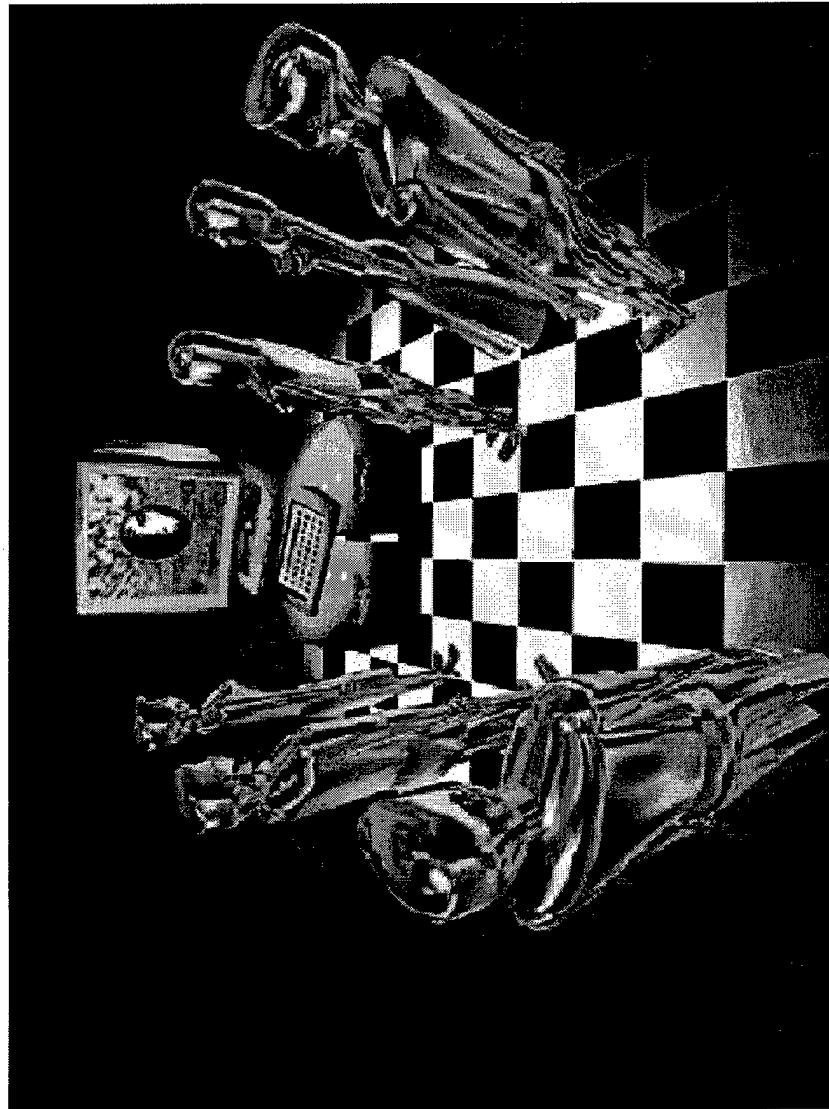
Accomplish cost-effective regionalization of
Component logistics activities.



Regionalization. Integrating organizations & functions now being performed at multiple locations in a common geographic area (page 55 of Report of QDR, May 1997).

Logistics Workforce

Develop logistics workforce into a multi-skilled & highly flexible resource



Plan Implementation

- DoD LSP, 1998 Edition, signed by USD (A&T), Jan. 7, 1998.
- Implementation memo to Components/OSD/Joint Staff, signed by DUSD(L), Jan. 30, 1998.
- ① Components implement objectives & metrics in their own strategic plans.
- ② Resourcing in PPBS.
- ③ Copy to Service Acquisition Executives.
- ④ OSD/JCS POCS identified for each objective/metric from 01.1 to 23.1 (38 target metrics altogether).
- ⑤ Components requested to identify their own POCS for each objective/metric.
- ⑥ Performance plan meetings with Working Group.
- ⑦ June 1998 progress meeting with Executive Steering Group, with report to USD (A&T).
- Components develop plans, execute, and report through OSD/J-4 POCS to Working Group.

1998 Logistics Strategic Plan

Available in several formats, including a linked HTML format, through the internet at:

<http://www.acq.osd.mil/log/mdm/lsp98.htm>

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